

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

COMMITTEE ON BUDGET

Voting Members:

Ann H. Kobayashi, Chair
Joey Manahan, Vice Chair
Carol Fukunaga
Trevor Ozawa
Kymberly Marcos Pine

MINUTES

REGULAR MEETING
WEDNESDAY, APRIL 29, 2015

COUNCIL COMMITTEE MEETING ROOM
2ND FLOOR, HONOLULU HALE
HONOLULU, HAWAII 96813

Note: A copy of the video of the full proceedings of this meeting may be requested by calling the City Clerk's Office at 768-5822.

CALL TO ORDER

The regular meeting of the Committee on Budget was called to order by Committee Chair Ann H. Kobayashi at 9:04 a.m. Voting Members Fukunaga, Manahan, Ozawa and Pine were present at the meeting. Nonvoting member, Councilmember Elefante, also attended the meeting.

STAFF PRESENT

Steve Uyeno, Senior Advisor to Committee Chair Kobayashi
Catherine Pligavko, Analyst, Office of Council Services
Lloyd Yoshioka, Attorney, Office of Council Services
Amy Kondo, Deputy, Department of the Corporation Counsel, assigned to the Committee
Gail Uehara, Council Committee Aide, Office of the City Clerk

ORDER OF BUSINESS

APPROVAL OF MINUTES

The minutes of the Committee on Budget meeting held on April 1, 2015 and the April 8, 2015 Special meeting were approved as circulated.

AYES: MANAHAN, OZAWA, PINE, KOBAYASHI – 4.

NOES: None.

EXCUSED: FUKUNAGA - 1.

FOR ACTION

1. RESOLUTION 15-97 – COMMITTEE REPORT 144

ACCEPTANCE OF GIFT. Relating to the acceptance of a gift to the City from the City of Scottsdale City Auditor's Office for travel expenses valued up to \$3,000 to conduct a peer review of the City of Scottsdale City Auditor's Office from May 17 to May 23, 2015 in Scottsdale, Arizona.

There was no testimony from the Administration or the public.

Resolution 15-97 was reported out for adoption.

AYES: FUKUNAGA, MANAHAN, OZAWA, PINE, KOBAYASHI – 5.

NOES: None.

Related communication:

CC-141 Edwin S.W. Young, City Auditor, Office of the City Auditor (support)

2. RESOLUTION 15-103 – COMMITTEE REPORT 146

TRANSFER OF FUNDS. Authorizing the Honolulu Fire Department to transfer \$769,000 to meet their salary, equipment and safety needs.

Administration/Others

Lionel E. Camara, Jr., Deputy Chief, Honolulu Fire Department (HFD)

There was no public testimony.

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Deputy Chief Camara testified in support of the Resolution.

In response to the Committee's inquiries, the Deputy Chief provided the following:

- An explanation that the main reason for the fund transfer was for the repair and maintenance of two helicopters.
- The HFD shared their concerns about charging rescued trespassers to recoup costs.
- The State Department of Land and Nature Resources is responsible for citing trespassers.

Resolution 15-103 reported out for adoption.

AYES: FUKUNAGA, MANAHAN, OZAWA, PINE, KOBAYASHI – 5.

NOES: None.

Related communication:

D-227 Manuel P. Neves, Fire Chief, Honolulu Fire Department, transmitting Resolution 15-103.

3. RESOLUTION 15-101 – COMMITTEE REPORT 145

TRANSFER OF FUNDS. Authorizing the Department of Enterprise Services to transfer an amount not to exceed \$25,000 between characters of expenditures to fulfill requirements from the State of Hawaii Department of Health Sanitation Division.

Administration/Others

Guy H. Kaulukukui, Director Designate, Department of Enterprise Services
(DES)

Donald Six, Maintenance and Operation Superintendent, DES

In response to the Committee's inquiry, Superintendent Six stated that the State Department of Health cited the food concession at the Honolulu Zoo for the lack of floor drains and that the funds would be used to install those drains.

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The following individual provided testimony:

Rose Pou (support)

Resolution 15-101 reported out for adoption.

AYES: FUKUNAGA, MANAHAN, OZAWA, PINE, KOBAYASHI – 5.

NOES: None.

Related communication:

D-225 Tracy S. Kubota, Acting Director, Department of Enterprise Services,
transmitting Resolution 15-101.

4. RESOLUTION 15-95 – COMMITTEE REPORT 143

TRANSIENT ACCOMMODATIONS TAX RECORDS. Urging the Hawaii State Legislature to require the State Department of Taxation to provide the counties with transient accommodations tax records relating to transient vacation units and bed and breakfast homes.

The following amendment was posted on the agenda:

PROPOSED CD1 TO RESOLUTION 15-95 – (Submitted by Councilmember Kobayashi) The CD1 (OCS2015-0330/4/20/2015 3:29 PM) makes the following amendments:

1. Amends the title to read as follows:

URGING THE HAWAII STATE LEGISLATURE TO REQUIRE THE STATE DEPARTMENT OF TAXATION TO PROVIDE THE COUNTIES WITH TRANSIENT ACCOMMODATIONS TAX RECORDS RELATING TO TRANSIENT VACATION UNITS AND BED AND BREAKFAST HOMES.

2. Makes technical and non-substantive changes.

Administration/Others

George I. Atta, Director, Department of Planning and Permitting
Gary Kurokawa, Deputy Director, Department of Budget and Fiscal Services

There was no public testimony.

Director Atta testified in support of the Resolution stating that the information would provide the Department with additional tools in proving cases against illegal transient vacation units and bed and breakfast homes.

In response to the Committee's inquiries, Deputy Director Kurokawa explained that Honolulu's Transient Accommodation Tax (TAT) revenue cap is about \$43 million. He agreed to provide the Council with a comparison of the TAT revenue generated by the County versus the amount of that revenue received back from the State.

Resolution 15-95 amended to the posted CD1 (OCS2015-0330/4/20/2015 3:29 PM) and reported out for adoption.

AYES: FUKUNAGA, MANAHAN, OZAWA, PINE, KOBAYASHI – 5.
NOES: None.

Related communication:

M-1285 Joli Tokusato, Unite Here Local 5 (comment)

5. BILL 24 (2015)

CAR SHARING. Establishing a program in connection with the public transit system to improve the mobility of Honolulu residents by providing support and regulation to car-sharing organizations.

The following amendment was posted on the agenda:

PROPOSED CD1 TO BILL 24 (2015) – (Submitted by Councilmember Ozawa) The CD1 (OCS2015-0348/4/23/2015 3:12 PM) makes the following amendments:

1. Page 1, subsection (c): Deletes reference to average hourly on-street parking meter rate formula.
2. Page 2, subsection (d): Deletes reference to sums to be deposited into the highway fund. (See Item 12 below.)
3. Page 2, subsection (a): Adds language authorizing the director to issue decals to an HRS-defined car-sharing organization. Clarifies the information to be provided upon submission of a decal request.
4. Page 2, subsection (c): Deletes reference to average hourly parking meter rate formula.

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5. Page 3, subsection (d): Deletes reference to sums to be deposited into the highway fund.
6. Page 3, subsection (e): Deletes existing language and replaces with data required for actual use of parking meter stalls by each car-share vehicle, and reimbursement provisions.
7. Page 3, subsection (g): Changes first ordinance citation to 15-22.2. Allows a car-share vehicle to park in an authorized stall for up to 24 hours.
8. Page 3, subsection (h): Adds language regarding other applicable laws.
9. Page 3, subsection (a): Changes reference to fiscal year to calendar year.
10. Page 4, subsection (b): Expands and details information to be included in the annual report. Changes reference to fiscal year to calendar year.
11. Page 4, Sec. 13- .5: Deletes reference to the adoption of administrative rules. References enforcement pursuant to the City Traffic Code. Clarifies violation provisions and possible consequences.
12. Page 4, Sec. 13- .6: Adds this new section regarding funds to be deposited into the highway fund.
13. Page 5, Effective date clause: Deletes repeal provision.

Administration/Others

Mark N. Garrity, Deputy Director, Department of Transportation Services

Deputy Director Garrity testified in support of the CD1 amendment.

A discussion ensued regarding the following: a) rates that would be charged for the parking decals versus the reserved car-sharing parking stalls, and b) on-street parking in residential neighborhoods.

The following individuals provided testimony:

1. Joslyn Bantilan, EAN Holdings, LLC (oppose) (M-1288)
2. Gary Slovin, Slovin & Ito LLP (oppose) (M-1289)

In response to Committee Member Ozawa's request, Mr. Slovin agreed to provide the Council with information on Boston's car-sharing equal pricing example.

3. Walter Rosenkranz, Car2Go (support CD1)

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Committee Chair Kobayashi recommended that the Bill be deferred to allow more time to address parity concerns.

Committee Members Fukunaga and Ozawa voiced their support for the Committee Chair's recommendation.

Action on Bill 24 (2015) deferred.

AYES: FUKUNAGA, MANAHAN, OZAWA, PINE, KOBAYASHI – 5.
NOES: None.

Related communications:

M-1277	Murray Clay, Managing Partner, Ulupono Initiative (support)
M-1286	Dan Grossman, Zipcar (support CD1)
M-1287	Brooke Wilson, Pacific Resource Partnership (support)
M-1288	Joslyn Bantilan, EAN Holdings, LLC (oppose)
M-1289	Gary Slovin, Slovin & Ito LLP (oppose)

At this juncture, Committee Chair Kobayashi announced that she would be taking up Bills 11 (2015), CD1, 25 (2015) and 26 (2015) together because they all relate to advertising.

6. BILL 11 (2015), CD1

ADVERTISING IN CITY PARKS. Allowing limited advertising in City parks.

7. BILL 25 (2015) – COMMITTEE REPORT 139

HONOLULU ZOO. Allowing limited sponsorship of Honolulu Zoo exhibits or facilitates.

8. BILL 26 (2015) – COMMITTEE REPORT 140

HONOLULU ZOO. Allowing limited advertising in Honolulu Zoo exhibits or facilities.

Administration/Others

Michele K. Nekota, Director, Department of Parks and Recreation Services
Guy H. Kaulukukui, Director Designate, Department of Enterprise Services
Amy Kondo, Deputy, Department of the Corporation Counsel (COR)

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Director Nekota testified in support of Bill 11 (2015), CD1.

Director Designate Kaulukukui testified in support of Bill 25 (2015) noting that the Bill would allow increased opportunities for the community to support the Zoo. The DES Director also expressed that he was not prepared to provide an opinion on Bill 26 (2015).

Committee Member Pine explained that Bills 25 (2015) and 26 (2015) were introduced as a result of an informational briefing about exhibit closure complaints and financial issues at the Honolulu Zoo.

Committee Member Ozawa stated that he echoed the explanations for Bills 25 (2015) and 26 (2015) made by Committee Member Pine.

Deputy Kondo explained that the COR has identified issues with the Bills that need further research and that the Department would provide the Council with an analysis of their findings along with any recommendations.

Committee Member Fukunaga requested that the COR meet with the DPR and the DES to address their concerns on the Bills.

The following individuals testified:

1. Carol Hopkins (Bills 11 (2015), CD1, 25 (2015), and 26 (2015) oppose)
2. Patrick Henry, Kapiolani Park Preservation Society (Bill 26 (2015) oppose) (M-1290)
3. Barbra Armentrout (Bill 11 (2015), CD1 oppose), Bills 25(2015) and 26 (2015) comments)
4. Rose Pou (Bill 11 (2015), CD1 oppose, Bills 25(2015) and 26 (2015) comments)
5. Ted Otaguro, Executive Director, Honolulu Zoo Society (Bill 25 (2015) support)
6. Ken Kanter, Vice President, Honolulu Zoo Society (Bill 26 (2015) comments)
7. Scott Keopuhiwa, Hawaii Youth Soccer Association (Bill 11 (2015), CD1 support)
8. Sean Richardson (Bill 11 (2015), CD1 support and comments)
9. Cinnie Firth (Bill 11 (2015), CD1 comments)
10. Sergio Bolioli, Major Island Soccer Organization (Bill 11 (2015), CD1 support)

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Committee Chair Kobayashi recommended that action on Bill 11 (2015), CD1 be deferred to reflect the Committee's discussion regarding sponsorship and recognizing those sponsorships rather than the advertising.

Committee Member Pine, Manahan and Ozawa voiced their support for the Chair's recommendations for Bill 11 (2015).

Action on Bill 11 (2015), CD1 deferred.

AYES: FUKUNAGA, MANAHAN, OZAWA, PINE, KOBAYASHI – 5.
NOES: None.

Committee Member Pine offered an amendment to Bill 25 (2015).

Committee Chair Kobayashi recommended amending Bill 25 (2015) as proposed by Committee Member Pine and reporting it out for passage on second reading and scheduling of a public hearing.

Bill 25 (2015) amended to a CD1 and reported out for passage on second reading and scheduling of a public hearing.

AYES: FUKUNAGA, MANAHAN, OZAWA, PINE, KOBAYASHI – 5.
NOES: None.

The CD1 (OCS2015-037114/2912015 3:44 PM) makes the following amendments:

1. Amends subsection 2- .1(c)(2) to specify that: "The sign must be located at an indoor exhibit or facility or at a designated indoor area and may not exceed square feet in area."
2. Makes various technical and non-substantive changes.

Committee Member Pine proposed the same amendment to Bill 26 (2015) as she did for Bill 25 (2015).

Committee Chair Kobayashi recommended amending Bill 26 (2015) as proposed by Committee Member Pine and reporting it out for passage on second reading and scheduling of a public hearing. She stated that should the Bill no longer be needed a deferral on it could be made later.

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Bill 26 (2015) amended to a CD1 and reported out for passage on second reading and scheduling of a public hearing.

AYES: FUKUNAGA, MANAHAN, OZAWA, PINE, KOBAYASHI – 5.
NOES: None.

The CD1 (OCS2015-0372/4/29/2015 4:49 PM) makes the following amendments:

1. Adds subsection 2-____.1(c)(4) to include an additional term relating to the size of advertisements with a maximum advertisement size of ____ square feet in area.
2. Makes various technical and non-substantive changes.

Related communications:

M-1278 Chuck Prentiss (Bill 11 (2015), CD1 oppose)

M-1290 Patrick Henry, Kapiolani Park Preservation Society (Bill 26 (2015) oppose)

9. BILL 40 (2015) – COMMITTEE REPORT 141

WAIPIO PENINSULA SOCCER PARK FUND. Creating a Waipio Peninsula Soccer Park fund

Administration/Others:

Nelson H. Koyanagi Jr., Director, Department of Budget and Fiscal Services

Director Koyanagi testified in opposition of the Bill noting that the creation of special funds increases administrative costs and diverts funds which would otherwise be available for core City services.

In response to inquiries, the Director stated that he would provide the following:

- Waipio Peninsula Soccer Park's revenue and expenses for the last three years and projected revenue amount
- Bikeway Fund's revenue amount

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The following individuals provided testimony:

1. Scott Keopuhiwa, Hawaii Youth Soccer Association (support)
2. Sergio Bolioli, MISO (Major Island Soccer Organization) (comments)
3. Sean Richardson, HYSA, MISO, Hawaii Rush, Oahu League (support)
4. Barbra Armentrout (comments)

Councilmember Elefante noted that he added funds in the budget for park improvements at the Waipio Peninsula Recreation Complex and expressed his concern about establishing special funds.

Committee Member Ozawa voiced his support for the Bill.

Bill 40 (2015) be reported out for passage on second reading and scheduling of a public hearing.

AYES: MANAHAN, OZAWA, PINE, KOBAYASHI – 4.

NOES: None.

EXCUSED: FUKUNAGA – 1.

Related communications:

M-1291 Donna D. Fouts, President of Hawaii Soccer Association (support)

M-1292 Shelly Nakasone (support)

10. BILL 41 (2015) – COMMITTEE REPORT 142

VALUATION OF SOLAR ENERGY AND SOLAR WATER HEATING IMPROVEMENTS FOR REAL PROPERTY TAX PURPOSES. Specifying that the value of solar powered energy improvements and solar powered water heating improvements are not assessed for real property taxation purposes.

Administration/Others

Gary Kurokawa, Deputy Director, Department of Budget and Fiscal Services
(BFS)

There was no public testimony.

Deputy Director Kurokawa explained the BFS' proposed amendments to Bill 41 (2015), as transmitted by Communication D-262 and testified in support of the Bill. He also gave a brief history about the solar photo voltaic and solar water heater assessment and exemption effect on the BFS.

The following amendment was circulated at the meeting:

The proposed CD1 (OCS2015-0385/4/30/2015 4:07 PM) makes the following amendments:

- A. Amends the definition of "Property" or "real property" to exclude any device that converts solar radiation to electricity or heat.
- B. Amends Section 8-10.15(c) as follows:
 - (c) Application for the exemption provided by this section shall be made with the director on or before September 30th, preceding the tax year for which the exemption is claimed[, except that no claim need be filed for the exemption of [solar water collectors, heaters, heat pumps and similar devices]. No exemption may be claimed for devices that convert solar radiation to electricity or heat because these devices are excluded from the definition of "property" or "real property" and are not assessed. The director may require the taxpayer to furnish reasonable information in order that the director may ascertain the validity of the claim for exemption.
- C. Makes miscellaneous technical and nonsubstantive amendments.

Bill 41 (2015) amended to the handcarried CD1 (OCS2015-0385/4/30/2015 4:07 PM) and reported out for passage on second reading and scheduling of a public hearing.

AYES: MANAHAN, PINE, KOBAYASHI – 3.

NOES: None.

EXCUSED: FUKUNAGA, OZAWA – 2.

Related communication:

D-262 Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services, submitting a proposed CD1 amendment to Bill 41 (2015).

11. RESOLUTION 15-115 – COMMITTEE REPORT 147

HONOLULU'S TWENTY-FIRST (21ST) YEAR ACTION PLAN. Approving the City and County of Honolulu's Twenty-First (21st) Year Action Plan for Community Development Block Grant, Home Investment Partnerships, Emergency Solutions Grants and Housing Opportunities for Persons with Aids Program Funds, and authorizing its submittal to the U.S. Department of Housing and Urban Development.

Administration/Others

Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services
Gary K. Nakata, Director Designate, Department of Community Service

Director Koyanagi testified in support of the Resolution which presents the Council with the recipients of the funds for the upcoming fiscal year and recognizes the CDBG and HOME projects selection committee members for their service.

Committee Chair Kobayashi expressed her concern about the two projects that were chosen, because they did not go through the selection committee process.

The following individual provided testimony:

Ollie Ocampo, Hina Mauka (comment) (M-1293)

The Committee Chair recommended that the Resolution be amended to a CD1 with the understanding that matters discussed at this meeting may be incorporated in a floor draft. She explained that non-profit organizations that were included on the selection list were bypassed for City projects.

Resolution 15-115 amended to a CD1 and reported out for adoption.

AYES: MANAHAN, OZAWA, PINE, KOBAYASHI – 4.

NOES: None.

EXCUSED: FUKUNAGA – 1.

The CD1 (OCS2015-0386/5/1/2015 9:57 AM) attaches the Action Plan as Exhibit A, as transmitted by Communication 259 and makes miscellaneous technical and nonsubstantive amendments.

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Related communications:

- D-240 Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services, transmitting Resolution 15-115.
D-259 Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services, transmitting amended attachment for Resolution 15-115 - Draft Twenty First Year Action Plan.
M-1293 Ollie Ocampo, Hina Mauka (comment)

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:08 p.m.

Respectfully submitted,


GLEN TAKAHASHI
Acting City Clerk

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DATE APPROVED

May 27, 2015